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Navigating Intellectual Property for Creatives

IRWIN IP
INTELLECTUAL PROPERTY LITIGATION

Presented by
Jason Keener &
Andy Himebaugh



IRWIN IP

A BOUTIQUE INTELLECTUAL PROPERTY LAW FIRM

- Resolve intellectual property (patent, trademark, copyright, and trade secret) disputes
- Strategize with and help our clients navigate protecting their own intellectual property and operate their businesses in light of others' intellectual property.
- Assist with business formation, copyright protection, and trademark and brand protection
- Based in Chicago, Illinois, but serve clients worldwide



Jason Keener

- Handling IP issues for 20+ years
- Litigated IP disputes across country, including numerous trials
- Represented software companies, movie production companies, photographers, musicians, authors, toy and game inventors, and other creatives
- Science Fiction and Fantasy fan of all forms of media/games



Andy Himebaugh

- Handling IP issues for 5+ years
- Litigated IP disputes before six different courts
- Represented photographers, musicians, playwrights, video creators, toy and game inventors, and other creatives
- Malevelon Creek Veteran, Yennefer Playthrough Devotee, and Soulsborne Enjoyer

WHO WE ARE

DISCLAIMER

These materials and this presentation are for public information and have been prepared solely for informational and entertainment purposes to contribute to the understanding of American intellectual property law. These materials and this presentation reflect only the personal views of the authors and are not individualized legal advice. It is understood that each case is fact-specific, and that the appropriate solution to any case will vary. Additionally, numerous concepts have been over-simplified for clarity. Therefore, these materials and this presentation may or may not be relevant to any particular situation. Thus, the authors and Irwin IP cannot be bound to the comments expressed in these materials or during the presentation. The presentation of these materials does not establish any form of attorney-client relationship with the authors or Irwin IP LLP. While every attempt has been made to present accurate information and materials, both the authors and Irwin IP disclaim liability for any errors or omissions.



AGENDA

- What is IP?
- Navigating IP as a Creative:
 - Patent
 - Trademark
 - Copyright
- IP and AI

WHAT IS INTELLECTUAL PROPERTY (IP)?



Patents

- Utility - New and useful inventions
- Design - Ornamental appearance
- Ex. drone, GPS, iPhone, shoe design, etc.



Trademarks

- Word, phrase, symbol, design, sound, or other things that identifies the source of goods or services
- Ex. Starbucks brand coffee; Amazon brand online shopping platform; Tiffany logo, color scheme, and box; Play Doh name and smell; etc.



Copyrights

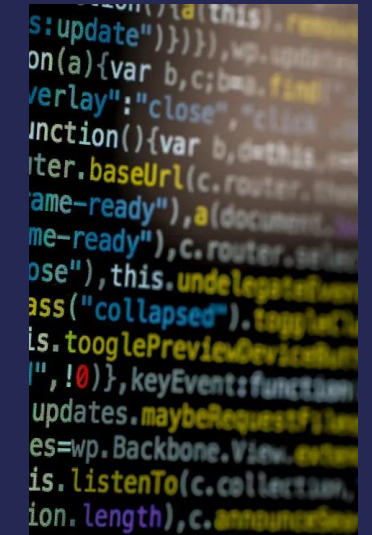
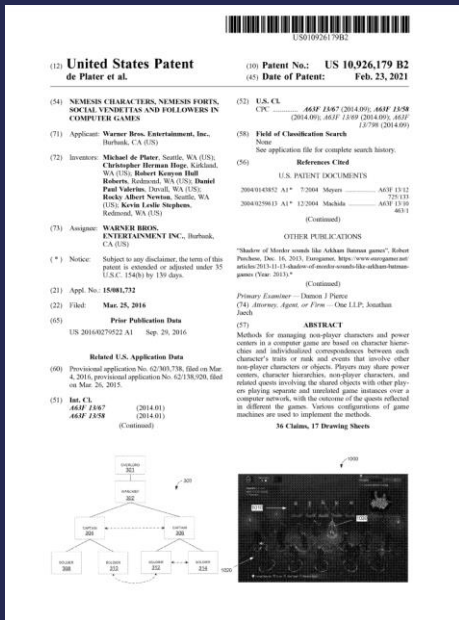
- Creative expression of an idea
- Ex. book, movie, photograph, art, some software source code, etc.



Trade Secrets

- Valuable formulas, processes, patterns, or compilations of information **kept secret** to maintain a competitive example
- Ex. Coca-Cola recipe, Google and Amazon Algorithm, WD-40 formula, Porsche Engine Design Process, etc.

DIFFERENT TYPES OF IP FOR THE SAME PRODUCT



Patents

“Nemesis System”
game mechanic



Trademarks

Name, stylized logo,
some interfaces



Copyright

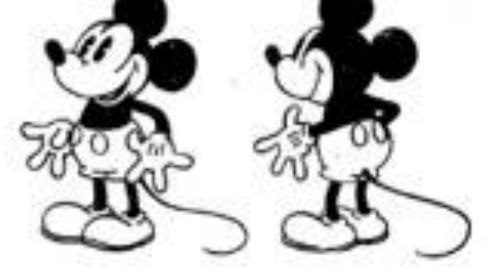
Story, dialogue, music,
visuals, art, and
cinematic scenes, and
some software



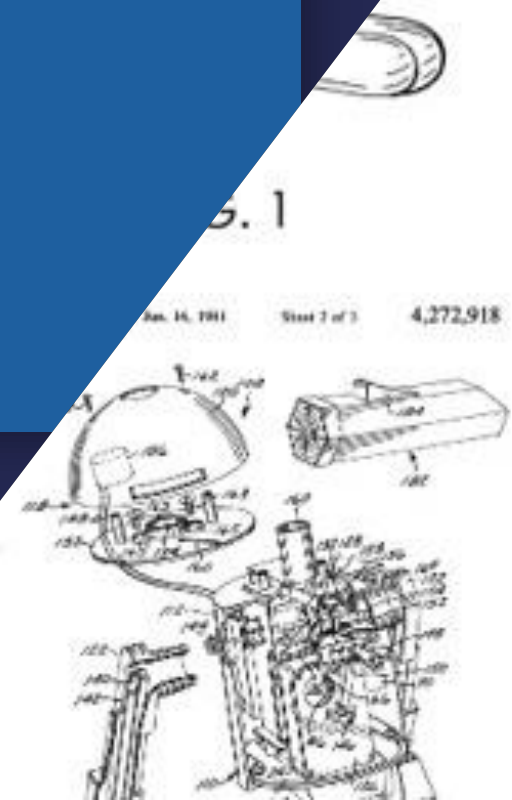
Trade Secrets

Proprietary
information not
shared with the
public

Patent



Walter E. Disney
For the Disney Studio



United States Patent [10] Des. 264,109
 Lucas et al. [11] Apr. 27, 1982

[12] **THE ACTION FIGURE** [13] **Reference Cited**
PUBLICATIONS
 [14] Inventors: George W. Lucas, San Anselmo; [15] FIG 1 shows a front view of a toy action figure showing the toy design.
 Robert McQueenie, Los Angeles, the [16] FIG 2 is a right-side view thereof.
 Attorney: The Kohn, Hertz, et al. of Calif. [17] FIG 3 is a left side view thereof.
 [18] Assignee: Lucasfilm, Ltd., North Hollywood, [19] FIG 4 is a back perspective view thereof, and
 Calif. [20] FIG 5 is a top plan view thereof.

[21] Title: **TOY ACTION FIGURE**
 [22] Appl. No.: 45,894
 [23] Filed: Aug. 11, 1979

[24] Int. Cl. _____ D21-00/00
 U.S. Cl. _____ D21-000/00
 [25] Field of Search _____ D21/170; 046; 111; 111;
 001/179

WHAT EXCLUSIVE RIGHTS DOES AN INVENTOR HAVE UNDER PATENT LAW?

A utility patent creates an exclusive right for an inventor (or holder) to make, use, sell, or import a new and useful device, method, composition of matter, or article of manufacture—this lasts 20 years from the date of filing.

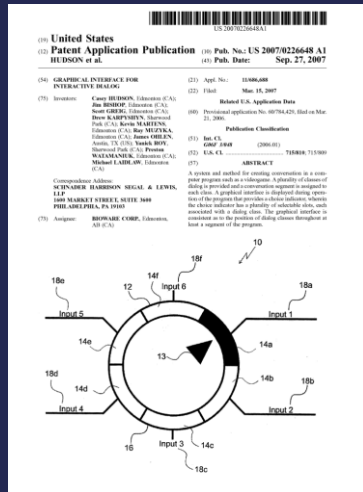
A design patent creates the same exclusive rights for the ornamental appearance of an article of manufacture—this lasts 15 years from the date of grant.

Making, using, or distributing a patented invention (or sometimes a close alternative) is **patent infringement.**

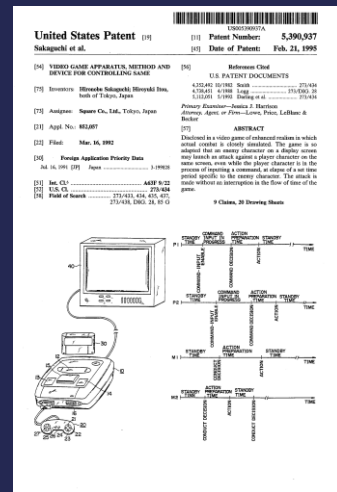
THE POWER OF PATENTS

Creatives often have limited interaction with patents. However, patents have a heavy influence on media that we interact such as:

Video Game Mechanics:

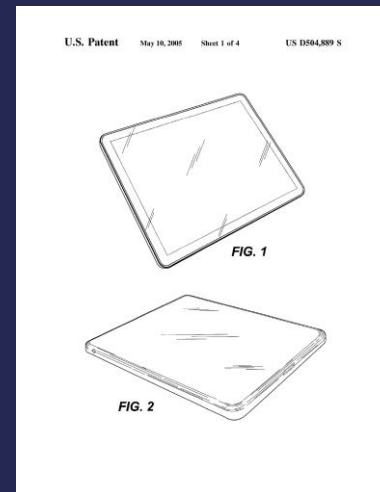


Bioware's Dialogue Wheel (Mass Effect)



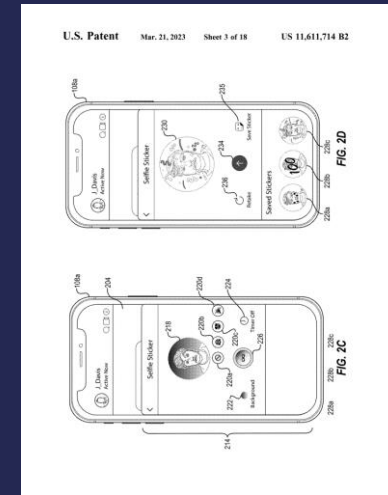
Square's Active Time Battle (Final Fantasy)

Smart Devices:



Apple's rectangular tablet with rounded corners (resulted in a \$1 billion jury verdict!)

Social Media Features:



Meta's animated chat stickers (WhatsApp and Facebook Messenger)

Trademark



HOW DO TRADEMARKS WORK?

The owner uses the mark as a “source identifier” to indicate the origin of goods or services that they offer for sale

The owner has exclusive rights to use the mark and can register it,

When someone else uses the mark to sell their own products or services in any way that would **confuse** the public into thinking that they are purchasing good from the trademark owner, this is called **trademark infringement**.

When someone else uses a trademark without permission in a way that **diminishes the public's perception** of the famous mark, this is called **trademark dilution**.



AFTER

Here's how I use the Brow Defining Boost:

1. After I do my normal skincare routine, I'll apply the product.

To learn more about how to purchase Brow Defining Boost, [click here!](#)

SHOP THE PRODUCT



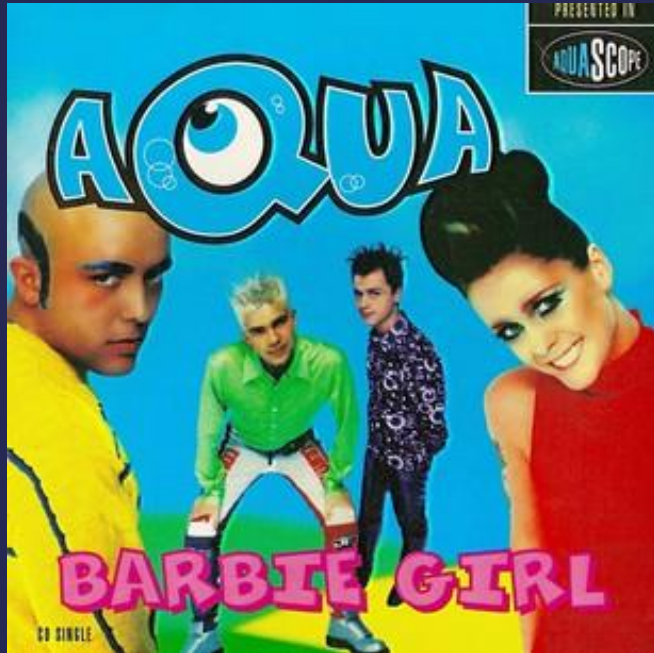
Rodan + Fields
Brow Defining
Boost
\$112

TRADEMARK INFRINGEMENT

*PETUNIA PRODUCTS, INC. V. RODAN & FIELDS, LLC AND
MOLLY SIMS*

- Beauty influencer Molly Sims promoted a product for Rodan and Fields called “Brow Defining Boost.”
- Petunia Products, a competing cosmetic company, owned the registered trademark *BROWBOOST* and sued both Rodan and Fields *and* Molly Sims for trademark infringement.
- The court rejected the defendants’ motion to dismiss, finding Sims’ Blog post tantamount to an advertisement that very well could have a **likelihood of confusing** the cosmetic-purchasing public and thus infringing Petunia Products’ trademark

DEFENSES TO TRADEMARK INFRINGEMENT?



Is there actual confusion?

Was the use “fair” in some way?

Mattel, Inc. v. MCA Records

“The parties are advised to chill.”

Despite Mattel’s extremely famous trademarks for Barbie’s name, appearance, etc. the court did not find that the song “Barbie Girl,” an obvious parody, infringed the marks or damaged their marketability.

COMMON TRADEMARK MISTAKES

- ▶ Not using ™ or ® (appropriately or at all)
- ▶ Not doing “clearance search” before committing time and money
 - ▶ Trademark Electronic Search System (TESS)
- ▶ Ignoring ability to reserve a name before launch
- ▶ Failing to take action against infringers
- ▶ Not paying attention to field of use



- **When to call an attorney**
 - Ideally, before start using a mark
 - Afterwards, to strengthen the mark
 - As soon as you find out someone might be infringing your mark
 - Upon receiving notice that you might be infringing
 - Cost is relatively low

COPYRIGHT

copyright

right
protection
exclusive
registered
license

symbol

author

brand

creativity

unique

protected

property

WHAT EXCLUSIVE RIGHTS DOES AN AUTHOR HAVE UNDER COPYRIGHT LAW?

To reproduce their work

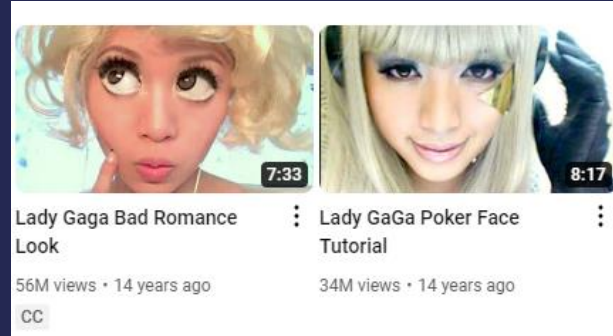
To prepare derivative works

To distribute their works

To perform/display their work publicly

Copying an original expression from a copyrighted work without the owner's permission is called **copyright infringement**.

COPYRIGHT INFRINGEMENT



Dance trends use copyrighted music and choreography (although this is sometimes licensed by platforms like TikTok).

Ultra International Music Publishing v. Michelle Phan

- A record label for EDM artist Kaskadee sued beauty Youtuber Michelle Phan for featuring his background music in her videos. The case settled out of court.
- Many copyright disputes on Twitch, YouTube, TikTok, Instagram, etc. go through built-in takedown systems on these platforms.
- But that doesn't mean that copyright owners still can't sue if they want to!



Cosplay usually imitates characters from copyrighted works such as movies, TV shows, comics, anime, and videogames.

Are all these uses of copyrighted works potentially copyright infringement...?



WHAT IS FAIR USE?

a powerful defense to
copyright infringement.

FOUR FACTORS

1. Purpose and Character of the use

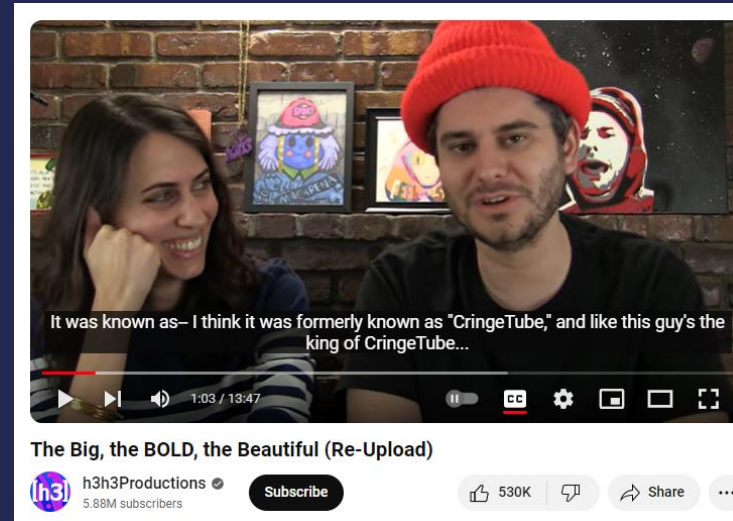
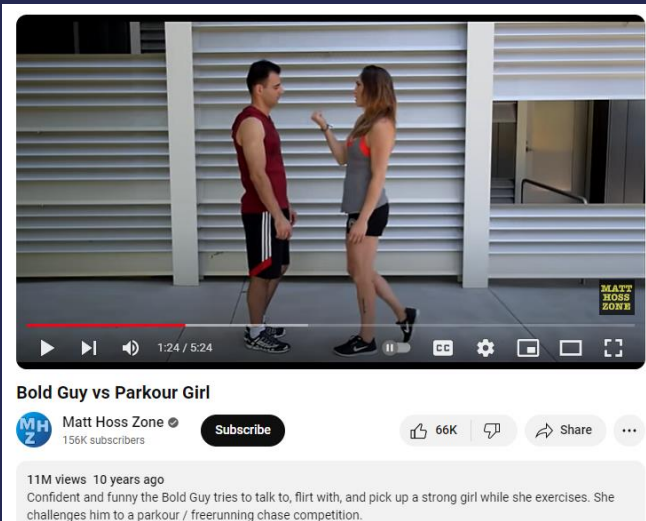
Transformative Use → adds something new,
with a further purpose or different character
and does not substitute for the original use
of the work

2. Nature of the Copyrighted Work

3. Amount and Substantiality of the Portion Used
in Relation to the Copyrighted Work as a
Whole

4. Effect of the Use Upon the Potential Market for
or Value of the Copyrighted Work

FAIR USE



Matt Hosseinzadeh v. Ethan Klein and Hila Klein

- YouTuber Matt Hoss sued Ethan and Hila Klein (H3H3 Productions) for copyright infringement after they parodied and reacted to his video.
- H3H3 Productions successfully moved to dismiss the case on the grounds with the fair use defense.
- It's important to weigh all the factors when considering fair use!
 - Hoss's video was original and scripted, BUT...
 - H3H3's reaction and parody was critical, satirizing, and transformative.
 - Even though H3H3 Productions "won" it cost them a lot of money, time, effort, and assuredly stress to defend against the lawsuit.

LIMITS OF FAIR USE

Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith

Facts

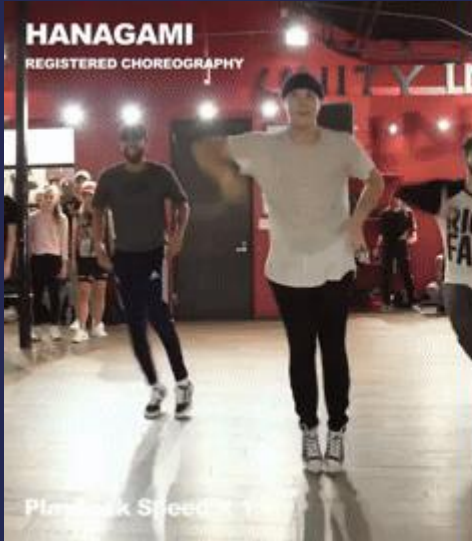
- In 1981, Goldsmith took photo of Prince
- In 1984, Vanity Fair licensed photo and had Andy Warhol create “Purple Prince”
- In 2016, Vanity Fair issued commemorative magazine edition, and used “Orange Prince” without paying Goldsmith



Supreme Court - NOT a fair use

- Question was whether Warhol’s works were “transformative”
- Does not matter if aesthetic or artistic *meaning* is transformed
- Does matter how a work is *used*

DO CREATORS EVER SUE BIG COMPANIES FOR COPYRIGHT INFRINGEMENT?

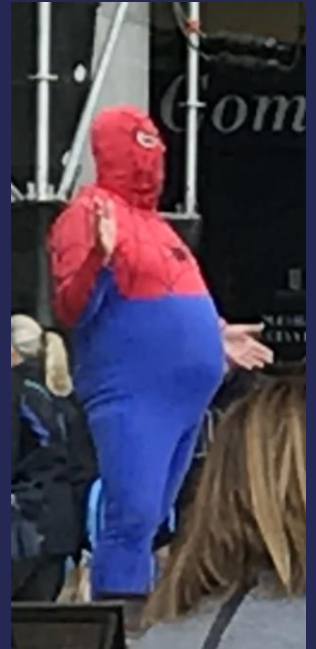


Hanagami v. Epic Games, Inc.

- Kyle Hanagami sued Epic Games for featuring his “It’s complicated” choreography as an emote in Fortnite.
 - District Court dismissed case, considering each move in isolation.
 - Appeals Court reinstated case, finding copyrightable dance.
 - Parties settled out of court.
- Russell Horning, commonly known as “backpack kid,” brought a lawsuit against Epic Games for use of the “floss” as an emote in Fortnite.
 - Case dismissed for failure to register the copyright before suing

COMMON COPYRIGHT MISTAKES

- ▶ **Failing to register copyright *before* you get ripped off!**
- ▶ **Relying on “poor man’s copyright”**
- ▶ **Not considering what you can and cannot use from other sources**
- ▶ **Falling for common fair use myths – I.E. copying is okay if...**
 - ▶ Use of less than 30%
 - ▶ Use of less than 200 words
 - ▶ I change at least 25%
 - ▶ I say where I got it from
 - ▶ I found it online
 - ▶ Everyone else doing it



Disney probably won't sue the creator of the “spooderman” meme or the Madrid Spiderman street performer. But this is still likely copyright infringement—be cautious.

- **When to call an attorney**
 - Earlier the better
 - Or – upon infringement, takedown, or official notice that you may be infringing
 - Registration is CHEAP: <https://www.copyright.gov/registration/>

BRINGING TRADEMARK AND COPYRIGHT TOGETHER WITH TABLETOP GAMING

GAMES WORKSHOP LTD. V. CHAPTERHOUSE STUDIOS LLC

- Copyright - Making figures where artwork shows what they look like, but the company didn't release the figures yet
- Copyright - Making "bits" for customization that use same underlying parts, such as Space Marine shoulder pads
- Trademark – Making new figure designs but marketing them for various Games Workshop races and characters (Dark Eldar, Imperial Guard, Chaos Space Marines, etc.)



INTELLECTUAL PROPERTY AND AI

IS AI-GENERATED ARTWORK COPYRIGHTABLE?



A Recent Entrance to Paradise

Artificial intelligence cannot be an author of a work

Follows Court precedent that a monkey named Naruto (really) could not be an author for a selfie that it took.



Theatre D'Opera

User of AI cannot be author unless they make substantial changes to the AI generated output

Must disclaim more than *de minimis* AI-generated content



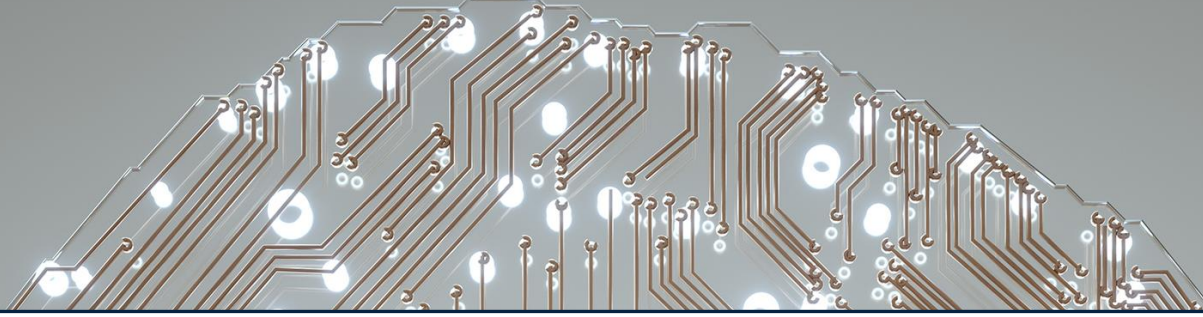
SURYAST

Even if a human was the author of the input, that does not give them copyright over a derivative work created by AI

REMAINING QUESTIONS

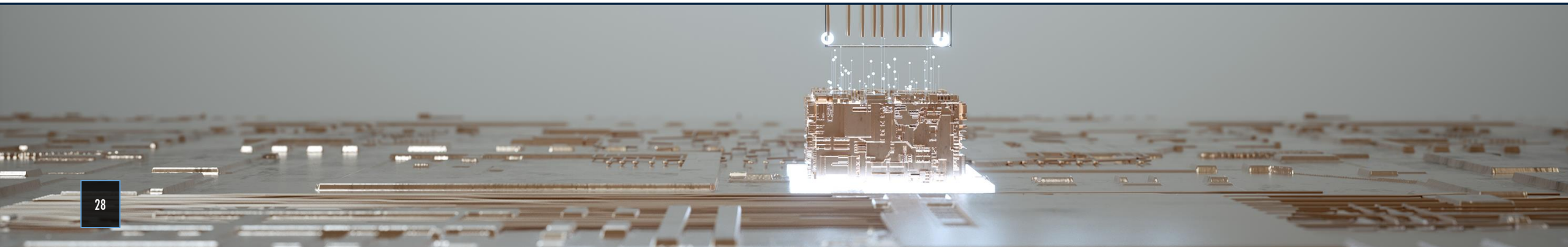
- *If the AI prompt is sufficiently lengthy with various specific parameters, is the AI generated work copyrightable?*
- *If the AI prompt is sufficiently lengthy, can you copyright the prompt?*
- *Can you protect against infringement of a derivative AI-generated output, if your copyrightable work was the input?*





CAUTION: USING AI COMES WITH RISKS

- Using AI generated images or text may put you at risk for infringement claims
- If you outsource work to a designer, photographer, videographer, etc., should include a clause in your contracts that forbids, or warrants that no AI-generated content is used
- When creating, consider paying for a subscription that has cleared its database of AI input to minimize risks of infringement
- If you use AI-generated images or text, this may prevent you from stopping others from copying your work



ISSUES WITH TRADEMARKS AND AI: CASES

■ *New York Times v. OpenAI*

- In addition to copyright infringement, the New York Times argues unfair competition by misappropriation and trademark dilution for referencing the New York Times in AI outputs that were not actual content from the New York Times
- The New York Times argues Microsoft and OpenAI used the New York Times marks on lower quality and inaccurate writing which dilutes the quality of the marks

■ *Getty Images v. Stability AI*

- Getty Images accuses Stability AI of trademark infringement, dilution, unfair competition
- Images were generated by its AI system with Getty's watermark that Getty says could cause consumer confusion

The sixth paragraph of "Inside Amazon – Wrestling Big Ideas in a Bruising Workplace" by the New York Times is as follows:

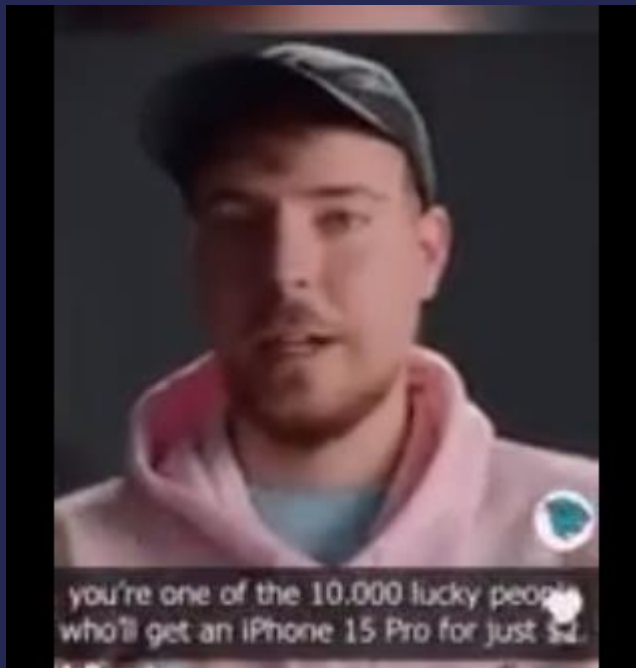
"Many of the managers I talked with said they relied on a screening process to filter out applicants who would not be resilient in the face of stress," said Moira Forbes, president of the Forbes Women's Summit and daughter of Steve Forbes. "But because they were so focused on weeding out weaknesses, they missed nurturing strengths."

6 of 20 ●



RIGHT OF PUBLICITY ISSUES

What is real anymore?



- **Right of Publicity:** legal right of individuals to control the commercial use of their name, image, likeness, or other identifiable aspects of their persona
- Using AI to create fake content quickly and cheaply
- **Examples**
 - “Heart on My Sleeve,” by ghostwriter477 using the voices of Drake and The Weeknd
 - Robocalls (i.e. President Biden)
- **Deep fakes**
 - Elon Musk, Mr. Beast
 - Lawsuits and disputes from celebrities



ISSUES WITH ADVERTISING AND AI: CASES



- *Main Sequence, Ltd. v. Dudesy, LLC*
 - Estate of George Carlin is suing the media company behind a fake, hour-long comedy special using late standup comedian's voice
 - Accused the defendants of Violation of Rights of Publicity and Deprivation of Rights of Publicity according to California law, according to California law
 - Ongoing; just filed
- *Young v. NeoCortext, Inc.*
 - TV personality suing over deep fake app that enables users to swap faces with famous figures
 - Accusing the company of violating California's right of publicity law
 - Ongoing; just filed



HAVE A QUESTION ABOUT IP?



Jason Keener

jkeener@irwinip.com

(312) 667-6286

**150 N. Wacker Drive, Suite 700
Chicago IL, 60606**



Access this and other
helpful presentations
on our firm website!



Andy Himebaugh

ahimebaugh@irwinip.com

(312) 667-6098

**150 N. Wacker Drive, Suite 700
Chicago, IL 60606**